



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

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BILL LEE
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

July 2, 2019

Tyrone Bennet, Chairman of the Board
Karamu Nutrition Programs Inc.
2670 Union Avenue Extended
Suite 900
Memphis, TN 38112-4429

Dear Mr. Bennet,

The Department of Human Services (DHS) - Division of Audit Services staff conducted an unannounced on-site monitoring review of the Child and Adult Care Food Program (CACFP) at Karamu Nutrition Programs Inc (Sponsor), Application Agreement number 00340 on May 14-May 20, 2019. The purpose of this review was to determine if the Sponsor complied with *Title 7 of the Code of Federal Regulations* (CFR) applicable parts, provider agreement, and applicable Federal and State regulations.

Background

CACFP Sponsors utilize meal count sheets to record the number of breakfast, lunch, supper, and supplement meals served. Meals served by participating Sponsors must meet the minimum guidelines set by the United States Department of Agriculture (USDA) and DHS to be eligible for reimbursement. The CACFP Sponsor reports the number of meals served through the DHS Tennessee Information Payment System (TIPS) for reimbursement.

We inspected meal counts sheets for our test period and reconciled the meals claimed to the meals reported as served for each meal service. We also assessed compliance with civil rights requirements.

Two types of programs were evaluated during the test month of February 2019- Childcare Centers and an At-Risk site.

Based on our review of the Sponsor's records and information provided, the Sponsor had 125 sponsored child care centers and six At- Risk sites in operation during our test month of February 2019. Our follow-up review for Karamu Nutrition Programs Inc sample selection included nine Childcare Centers - **Aspiring Scholars Enrichment Center 0257, Fanny's Little Angels Inc. 0339, Ivy League Center Inc. 0347, Kidz Palace Learning Center 0442,**

Farmer's Enrichment Center 0305, Klassy Kids Academy #2 0197, Teachable Moments Preparatory Inc. 0414, The Gentleman and Ladies Academy 0338, and The Youth Academy LLC 0353 and one At- Risk site- Kidz Palace Enrichment 0443.

Our review of the Sponsor's records for February 2019 disclosed the following:

1. The Sponsor reported the number of participants in the free, reduced-price, and paid categories incorrectly

Condition

Based on our review of the Claim for Reimbursement for the selected sample sites, we noted the Sponsor reported 795 participants in the free category, 86 participants in the reduced-price category, and 479 participants in the paid category. However, based on our review of the records available, we found there were 792 participants in the free category, 89 participants in the reduced-price category, and 479 participants in the paid category.

The differences were based on the following:

Ivy League Learning Center

- There was one participant reported in the free category, but according to the application, the participant should have been paid. The participant was reclassified as paid.
- There were two participants reported paid category that was determined to be eligible for the reduced-price category. These two participants were reclassified as reduced-price.
- There was one participant reported in the free category, but according to the application, the participant should have classified in the reduced-price category. The participant was reclassified as reduced-price.

Klassy Kids Academy #2

- There was one participant reported in the free category, but according to the application, the participant should have been paid. The participant was reclassified as paid.

Teachable Moments Preparatory

- There was one participant reported in the paid category, but according to the application, the participant should have classified in the free category. The participant was reclassified as free.
- There were 55 participants reported in the free category and three participants in the paid category for the February 2019 claim. The master roster documented 54 participants in the free category and four participants in the paid category. The Sponsor underreported the number of participants by one in the paid category and over reported by one in the free category.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.10(c) states, "... In submitting a Claim

for Reimbursement, each institution shall certify that the claim is correct and that records are available to support that claim ..."

Title 7 of the Code of Federal Regulations, Section 226.15(e)(2) states, "All types of centers, except for emergency shelters and at-risk afterschool care centers, must maintain information used to determine eligibility for free or reduced-price meals in accordance with §226.23(e)(1). For child care centers, such documentation of enrollment must be updated annually, signed by a parent or legal guardian, and include information on each child's normal days and hours of care and the meals normally received while in care."

Title 7 of the Code of Federal Regulations, Section 226.17(b)(8) states, in part, "Child care centers shall collect and maintain documentation of the enrollment of each child, including information used to determine eligibility for free and reduced price meals in accordance with §226.23(e)(1). ..."

Recommendation

The Sponsor should maintain all information used to determine eligibility, and ensure that each participant is classified and reported accurately based on categorical or income eligibility.

2. The Sponsor reported incorrect meals for the Childcare Centers

Condition

The claim for reimbursement for February 2019 reported 79,988 breakfast meals, 72,773 lunch meals, 98,856 supplements, and 10,265 supper meals served. However, our review of the Sponsor's records verified 79,984 breakfast meals, 72,842 lunch meals, 98,969 supplements, and 10,283 supper meals prior to any meal disallowances. The Sponsor over claimed the number of breakfast meals by four and under reported lunch meals by 69, the supplements by 113 and supper meals by 18. The difference was based on the following:

At Youth Academy LLC, the Sponsor reported 4,321 breakfast meals, 5,330 lunch meals, 435 supper meals, and 5,653 supplements. However, based on the records provided, we verified 4,317 breakfast meals, 5,399 lunch meals, 453 supper meals, and 5,766 supplements.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.10 (c) states in part "...In submitting a Claim for Reimbursement, each institution shall certify that the claim is correct and that records are available to support that claim..."

Recommendation

The Sponsor should ensure all meal counts claimed agree with the actual meal count documentation and meals served.

This is a repeat finding from a previous report dated July 25, 2018.

3. The Sponsor had childcare centers that did not take daily attendance

Condition

Kid'z Palace Learning Academy

The monitor observed a lunch meal service on February 11, 2019, and requested meal counts and daily attendance from the beginning of February up to the site visit date. The Center did not have any attendance records from February 1, 2019 to February 11, 2019. The Sponsor did not claim the meals during this period.

Klassy Kids Academy #2

The monitor observed a lunch meal service on February 11, 2019, and requested meal counts and daily attendance from the beginning of February up to the site visit date. The Center did not have any attendance records from February 1, 2019 to February 11, 2019. Attendance records should be completed daily and meal count cannot exceed daily attendance. All breakfast, lunch and supplement meals served from February 1, 2019 - February 11, 2019 are non-reimbursable.

As a result, 397 breakfast meals, 210 lunch meals, 58 supper meals, and 855 supplements claimed for reimbursement were disallowed.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.10(c) states, "... In submitting a Claim for Reimbursement, each institution shall certify that the claim is correct and that records are available to support that claim...."

Recommendation

The Sponsor should ensure that attendance is taken daily and available upon request.

4. The Sponsor reported the number of attendance days incorrectly

Condition

Based on our review of the Claim for Reimbursement for the test month for the selected sample sites, we noted the Sponsor reported 22,678 participant days. However, based on our review of the records available, we found there were 22,675 participant days.

The differences were based on the following:

- Based on our review of the Claim for Reimbursement for **Klassy Kids Academy #2**, the Sponsor reported 3,509 participant days. However, we verified 3,505 participant days.
- Based on our review of the Claim for Reimbursement **Aspiring Scholars Enrichment Center**, the Sponsor reported 841 participant days. However, we found that there were 842 participant days.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.10(c) states, "...In submitting a Claim for Reimbursement, each institution shall certify that the claim is correct and that records are

available to support that claim.”

Recommendation

The Sponsor should ensure all participants are recorded as present only for their actual days of attendance.

5. The Sponsor reported an incorrect number of meals from an observed meal service

Condition

Ivy League Learning Center

On February 11, 2019, a DHS program monitor observed a lunch meal service. The monitor observed 63 lunch meals served to one to five years old during the approved meal service. However, the Sponsor reported a total of 62 lunch meals being served. As a result, one lunch meal was added back to the meal counts.

Kid’z Palace Learning Center

On February 11, 2019, a DHS program monitor observed a lunch meal service. The monitor observed 12 snacks served to one to five years old during the approved meal service. However, the Sponsor reported a total of 13 snack meals being served. As a result, one snack claimed for reimbursement was disallowed.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.10(c) states, “... In submitting a Claim for Reimbursement, each institution shall certify that the claim is correct and that records are available to support that claim....”

Recommendation

The Sponsor should ensure the meals reported agree with the actual meals served during the meal service time.

6. The Sponsor provided infant menus that did not meet USDA meal pattern requirements

Condition

Based on a review of the infant menus provided by the Sponsor for the test month, USDA meal patterns were not met. The infant menus provided listed the following deficiencies:

Aspiring Scholars Enrichment Center

6-11 months

Date(s)	Missing Component	Type of meal served
2/11, 2/12 and 2/13	No fruit/veg on snack menu	P.M. Supplements

Teachable Moments Preparatory Inc

6-11 months

Date(s)	Missing Component	Type of meal served
2/11, 2/12 and 2/13	Fruit/vegetable	P.M. Supplements

Klassy Kids # Academy

6-11 months

Date(s)	Missing Component	Type of meal served
2/11, 02/12 and 02/13	Fruit/vegetable	P.M. Supplements

The Gentlemen and Ladies Academy

6-11 months

Date(s)	Missing Component	Type of meal served
2/11, 2/12 and 2/13	Fruit/vegetable	P.M. Supplements

Ivy League Learning Center, Inc.

6-11 months

Date(s)	Missing Component	Type of meal served
2/11, 2/12 and 2/13	Fruit/vegetable	P.M. Supplements

Due to the new CACFP meal pattern requirements and emphasis on providing technical assistance during the implementation process, there were no meals disallowed. We were not able to determine how many meals were served to the 6-11 month old participants because the infant menus did not list the participants' name or age. Infant menus should list the name, age, and formula used for each participant. Menu for each participant should be based on when the participant is developmentally ready to be introduced to textured food.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.17(b)(4) states, "Each child care center participating in the Program shall claim only the meal types specified in its approved application in accordance with the meal pattern requirements specified in §226.20 ..."

Title 7 of the Code of Federal Regulations, Section 226.20 (b) states in part, "... Infant meals-(1) Feeding infants. Foods in reimbursable meals served to infants ages birth through 11 months must be of a texture and a consistency that are appropriate for the age and development of the infant being fed. Foods must also be served during a span of time consistent with the infant's eating habits."

Title 7 of the Code of Federal Regulations, Section 226.20 (4)(2)(a) states in part, "...Infant meals must have, at a minimum, each of the food components indicated, in the amount that is appropriate for the infant's age.... Breakfast, lunch, or supper. Six to 8 fluid ounces of breastmilk or iron-fortified infant formula, or portions of both; and 0 to 4 tablespoons of iron-fortified dry infant cereal, meat, fish, poultry, whole egg, cooked dry beans, or cooked dry peas; or 0 to 2 ounces (weight) of cheese; or 0 to 4 ounces (volume) of cottage cheese; or 0 to 4 ounces of yogurt; and 0 to 2 tablespoons of vegetable, fruit, or portions of both. Fruit juices and vegetable juices must not be served. Snack. Two to 4 fluid ounces of breastmilk or iron-fortified infant formula; and 0 to 1/2 slice bread; or 0-2 crackers; or 0-4 tablespoons infant cereal or ready-to-eat cereals; and 0 to 2 tablespoons of vegetable or fruit, or portions of both. Fruit juices and vegetable juices must not be served. A serving of grains must be whole grain-rich, enriched meal, or enriched flour."

Recommendation

The Sponsor should ensure the infant menus meet the meal patterns established by the USDA.

7. A sponsored center served a meal that did not meet the USDA meal requirements

Condition

During our site visit on February 11, 2019, to observe a lunch meal service at **Klassy Kid's Academy #2**, the monitor observed corn dog nuggets, baked beans, pineapples, and milk. The corn dogs served were not CN labeled. The brand, State Farm, was verified by the receipt provided by the center and the cook's statement. The Sponsor did not claim the meals.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.17(b)(4) states, "Each child care center participating in the Program shall claim only the meal types specified in its approved application in accordance with the meal pattern requirements specified in §226.20 ..."

The USDA Crediting Foods in the Child and Adult Care Food Program, page 62, states, "... Because of the uncertainty of the actual amount of meat/meat alternate contained in these products, they should not be used unless (1) they are CN-labeled; or (2) you obtain a Product Formulation Statement signed by an official of the manufacturer (not a salesperson) that shows how the crediting has been determined...."

Recommendation

The Sponsor should ensure served commercially processed foods are creditable and sponsored centers and sites are using CN- Labeled or Product Formulation statement products.

8. A Center served a grain-based dessert as a component

Condition

The monitor observed a supplement meal on February 12, 2019, at **Farmer's Enrichment Center**. The meal served consisted of a Nutrigrain bar and water. The Nutrigrain bar is a grain based dessert. In addition, the meal observed was missing a creditable second component. The Sponsor did not claim the meals.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.20(a)(4)(iii) states, "Grain-based desserts do not count towards meeting the grains requirement."

Condition

The Sponsor should ensure menus used by the centers meet the meal patterns established by the USDA

9. Centers did not have a menu posted during an observed meal

Condition

During the monitor's visit on February 12, 2019, at **Farmer's Enrichment Center** there was no current menu posted.

During our follow –up monitoring visit on April 25, 2019, at the **Gentlemen and Ladies Academy** there was no menu posted.

Criteria

Food & Nutrition Service (FNS) 796-2, Rev. 4, states, "Menu records that identify the meal components served to participants must be maintained. Menu records must be updated to reflect changes to planned menus so that the menu records reflect the actual meal components and foods service to participants."

The USDA Monitoring Handbook for State Agencies, page 29, states, "Institutions must serve meals according to the posted menus and document substitutions..."

Recommendation

The Sponsor should ensure the menu is posted for each meal served.

10. The Sponsor did not provide enrollment information for all participants

Condition

The Gentlemen and Ladies Academy

During our monitoring review, there was one participant on the attendance sheets for whom the Sponsor did not provide enrollment information. Additional enrollments forms were missing but the Sponsor did not claim the meals except for one participant who did not have a current enrollment form on file

Teachable Moments

During our monitoring review, one enrollment form was not dated for a participant.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.17(b)(8) states, "Child care centers shall collect and maintain documentation of the enrollment of each child, including information used to determine eligibility for free and reduced price meals in accordance with §226.23(e)(1). ..."

The USDA policy memorandum, CACFP 15-2013 Existing Flexibilities in the Child and Adult Care Food Program states, "CACFP regulations require that institutions maintain documentation for participants enrolled to receive care [7 CFR 226.15(e)(2) and (e)(3)]. Documentation of participant's enrollment must include information on normal days and hours of care and the meals the participant normally receives while in care...."

Recommendation

The Sponsor should ensure that all enrollment information is collected as required and updated annually.

11. Centers served meals outside of the approved serving time

Condition

The Gentleman and Ladies Academy

During our monitoring visit on February 11, 2019, an observed lunch meal was served outside of the TIPS approved serving time. The monitor arrived at 11:20 am and the owner stated that the children had already been served and left for a field trip. The monitor observed 23 participants during the approved meal time of 11:30am-12:00 pm that was still at the center including eight infants that were present. In addition, the children were given an option of milk or water. All meals were disallowed by the Sponsor.

There was a follow-up visit on April 25, 2019, the monitor arrived at 11:00 am to observe a lunch meal from 11:30am-12:00 pm but the meal was served from 11:30am-12:15 pm. There were no meals disallowed due to meals being observed and no other deficiencies observed.

Klassy Kids #2 Academy

During our monitoring visit on February 11, 2019, an observed lunch meal was served outside of the TIPS approved time. The monitor arrived at 9:45 am and lunch started at 10:10 am. The approved meal service time in TIPS is 10:45 am-11:45 am. The monitor observed 101 participants served. The meals were disallowed by the Sponsor due to deficiencies observed in finding 7.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.17(b)(4) states, "Each child care center participating in the Program shall claim only the meal types specified in its approved application in accordance with the meal pattern requirements specified in §226.20...."

Title 7 of the Code of Federal Regulations, Section 226.17(b)(9) states, "Each child care center must maintain daily records of time of service meal counts by type (breakfast, lunch, supper, and snacks) served to enrolled children, and to adults performing labor necessary to the food service."

Recommendation

The Sponsor should ensure that meals are served during the approved feeding site time.

Note:

Our observations at the following centers revealed no significant deficiencies:

Aspiring Scholars Enrichment, The Youth Academy LLC, Teachable Moments, and Fanny's Little Angels.

Farmer's Enrichment Center and Kidz Palace Learning At-Risk were visited but meals were not claimed by the Sponsor.

Technical Assistance Provided

Technical assistance was provided regarding infant menu planning, IEF applications, and providing final revisions at sponsor visit.

Disallowed Meals Cost

Based on the review, we determined that the Sponsor's noncompliance with the applicable Federal and State regulations that govern the CACFP resulted in a total disallowed cost of \$2,003.37

Corrective Action

The Sponsor must complete the following actions within 30 days from the date of this report:

- Log into the Tennessee Information Payment System (TIPS) and revise the claim submitted for February, which contains the verified claim data from the enclosed exhibits. ***Please note that, if the claim is revised***, TIPS will automatically deduct the overpayment from your next CACFP claim for reimbursement. **OR**
- If you are no longer participating in the CACFP program, remit a check payable to the ***Tennessee Department of Human Services*** in the amount noted in the report for recovery of the amounts disallowed in this report. ***Please return the attached billing notice with your check***; and
- Prepare and submit a corrective action plan to address the deficiencies identified in this report. The corrective action plan template is attached. Please return the corrective action plan to:

AuditServices.CAPS.DHS@tn.gov

If you have questions relative to the corrective action plan please contact:

Allette Vayda, Director of Operations
Child and Adult Care Food Program
15th Floor, James K. Polk Building
505 Deaderick Street

Nashville, Tennessee 37243
Allette.Vayda@tn.gov
(615) 313-3769

Please note that the amount of disallowed cost is subject to an interest charge. The interest charge will be waived if your revised claim within 30 days from the date of this report. If the revised claim is not completed by the 30-day deadline, an interest charge may be billed to your institution. Please mail your check and the billing notice to:

Child and Adult Care Food Program
Fiscal Services
16th Floor, James K. Polk Building
505 Deaderick Street
Nashville, Tennessee 37243


In accordance with the federal regulation found at 7 *CFR Part 226.6 (k)*, your institution may appeal the amount of disallowed cost identified in this monitoring report. The procedures for submitting an appeal are enclosed. The appeal must be submitted to:

Tennessee Department of Human Services
Appeals and Hearings Division, Clerk's Office
P.O. Box 198996
Nashville, TN 37219

If the Institution decides to appeal the amount of disallowed administrative and meals cost, all appeal procedures must be followed as failure to do so may result in the denial of your request for an appeal.

We appreciate the assistance provided during this review. If you have any questions regarding this report, please contact Sean Baker, Audit Director 2, at 615-313-4727 or Sean.Baker@tn.gov.

Sincerely,


Sam O. Alzoubi, CFE
Director of Audit Services

Exhibit

cc: Dr. Vera Corley-Sims, Executive Director, Karamu Nutrition Programs Inc.
Tony Corley, President, Karamu Nutrition Programs, Inc.
Allette Vayda, Director of Operations, Child and Adult Care Food Programs
Debra Pasta, Program Manager, Child and Adult Care Food Program
Elke Moore, Administrative Services Assistant 3, Child and Adult Care Food Program
Constance Moore, Program Specialist, Child, and Adult Care Food Program
Marty Widner, Program Specialist, Child, and Adult Care Food Program
Comptroller of the Treasury, State of Tennessee

EXHIBIT A

Verification of CACFP Independent Center Claim

Name of Agency: Karamu Nutrition Program Inc.

Review Month/Year: February 2019

Total Amount of Reimbursement to Sponsor: \$437,530.83

Amount of CIL Included with Reimbursement: \$23,098.16

Total Sponsor Meal Payments to Selected Sample Centers: \$ 61,591.39

Total Administrative Payment withheld: \$6,332.75

Site Meal Service Reconciliation and Monitor Activity	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	24	24
Total Attendance(Sample Sites)	22,679	22,675
Number of Breakfasts Served	79,988	79,587
Number of Lunches Served	72,773	72,633
Number of Suppers Served	10,265	10,225
Number of Supplements Served	98,856	98,113
Number of Participants in Free Category	795	792
Number of Participants in Reduced-Price Category	86	89
Number of Participants in Paid Category	479	479
Total Number of Participants	1,360	1,360
Total Amount of Centers of Sampled	XXXXXXXX	8

EXHIBIT B

Verification of Unaffiliated Sponsored Center Data

Center: Aspiring Scholars Enrichment Center

Reimbursement Paid by Sponsor: \$ 2,616.62

CIL Reported by Sponsor: \$87.89

Reimbursement Due based on Reported Information: \$2,870.10

Reimbursement Due based on Verified Information: \$2,870.10

Program Area	Reported on Claim	Reconciled By Monitoring Review
Number of Days that CACFP Food Service was operated	19	19
Total Attendance	841	842
Percentage of Free or Reduced-price Category (For Profit Center Only)	XXXX	96%
Number of Breakfasts Served	508	508
Number of Lunches Served	374	374
Number of Supplements Served	808	808
Number of Participants in Free Category	51	51
Number of Participants in Reduced-Price Category	0	0
Number of Participants in Paid Category	2	2
Total Number of Participants	53	53
Total Amount of Food Costs	XXXXX	\$ 1,634.02
Total Amount of Eligible Food and Nonfood Costs	XXXXX	\$ 2,063.05

EXHIBIT C

Verification of Unaffiliated Sponsored Center Data

Center: Fanny's Little Angels Inc.

Reimbursement Paid by Sponsor: \$ 1,666.87

CIL Reported by Sponsor: \$61.57

Reimbursement Due based on Reported Information: \$1,831.73

Reimbursement Due based on Verified Information: \$1,831.73

Program Area	Reported on Claim	Reconciled By Monitoring Review
Number of Days that CACFP Food Service was operated	19	19
Total Attendance	410	410
Percentage of Free or Reduced-price Category (For Profit Center Only)	XXXX	100%
Number of Breakfasts Served	296	296
Number of Lunches Served	262	262
Number of Supplements Served	410	410
Number of Participants in Free Category	30	30
Number of Participants in Reduced-Price Category	0	0
Number of Participants in Paid Category	0	0
Total Number of Participants	30	30
Total Amount of Food Costs	XXXXX	\$ 978.25
Total Amount of Eligible Food and Nonfood Costs	XXXXX	\$ 2,768.22

EXHIBIT D

Verification of Unaffiliated Sponsored Center Data

Center: Ivy League Learning Center Inc.

Reimbursement Paid by Sponsor: \$ 10,543.70

CIL Reported by Sponsor: \$517.24

Reimbursement Due based on Reported Information: \$11,577.38

Reimbursement Due based on Verified Information: \$11,616.06

Program Area	Reported on Claim	Reconciled By Monitoring Review
Number of Days that CACFP Food Service was operated	19	19
Total Attendance	2,210	2,210
Percentage of Free or Reduced-price Category (For Profit Center Only)	XXXX	86%
Number of Breakfasts Served	1,723	1,723
Number of Lunches Served	1,452	1,453
Number of Suppers Served	749	749
Number of Supplements Served	1,846	1,846
Number of Participants in Free Category	123	121
Number of Participants in Reduced-Price Category	11	14
Number of Participants in Paid Category	11	10
Total Number of Participants	145	145
Total Amount of Food Costs	XXXXX	\$ 2,789.69
Total Amount of Eligible Food and Nonfood Costs	XXXXX	\$ 3,747.54

EXHIBIT E

Verification of Unaffiliated Sponsored Center Data

Center: Kidz Palace Learning Center

Reimbursement Paid by Sponsor: \$ 1,202.33

CIL Reported by Sponsor: \$43.24

Reimbursement Due based on Reported Information: \$1,318.24

Reimbursement Due based on Verified Information: \$1,319.48

Program Area	Reported on Claim	Reconciled By Monitoring Review
Number of Days that CACFP Food Service was operated	20	20
Total Attendance	682	682
Percentage of Free or Reduced-price Category (For Profit Center Only)	XXXX	87%
Number of Breakfasts Served	299	299
Number of Lunches Served	184	184
Number of Supplements Served	322	321
Number of Participants in Free Category	55	55
Number of Participants in Reduced-Price Category	0	0
Number of Participants in Paid Category	8	8
Total Number of Participants	63	63
Total Amount of Food Costs	XXXXX	\$ 1,798.78
Total Amount of Eligible Food and Nonfood Costs	XXXXX	\$ 2,094.15

EXHIBIT F**Verification of Unaffiliated Sponsored Center Data****Center: Klassy Kids Academy #2****Reimbursement Paid by Sponsor: \$ 11,143.42****CIL Reported by Sponsor: \$1,102.10****Reimbursement Due based on Reported Information: \$12,237.26****Reimbursement Due based on Verified Information: \$10,078.10**

Program Area	Reported on Claim	Reconciled By Monitoring Review
Number of Days that CACFP Food Service was operated	20	20
Total Attendance	3,509	3,505
Percentage of Free or Reduced-price Category (For Profit Center Only)	XXXX	96%
Number of Breakfasts Served	1,949	1,552
Number of Lunches Served	1,428	1,218
Number of Suppers	872	814
Number of Supplements Served	2,592	1,737
Number of Participants in Free Category	175	174
Number of Participants in Reduced-Price Category	13	13
Number of Participants in Paid Category	29	30
Total Number of Participants	217	217
Total Amount of Food Costs	XXXXX	\$ 3,478.99
Total Amount of Eligible Food and Nonfood Costs	XXXXX	\$ 4,404.99

EXHIBIT G**Verification of Unaffiliated Sponsored Center Data****Center: Teachable Moments Preparatory Inc.****Reimbursement Paid by Sponsor: \$ 4,334.78****CIL Reported by Sponsor: \$160.27****Reimbursement Due based on Reported Information: \$4,760.49****Reimbursement Due based on Verified Information: \$4,760.49**

Program Area	Reported on Claim	Reconciled By Monitoring Review
Number of Days that CACFP Food Service was operated	19	19
Total Attendance	1,025	1,025
Percentage of Free or Reduced-price Category (For Profit Center Only)	XXXX	95%
Number of Breakfasts Served	962	962
Number of Lunches Served	682	682
Number of Supplements Served	926	926
Number of Participants in Free Category	55	55
Number of Participants in Reduced-Price Category	0	0
Number of Participants in Paid Category	3	3
Total Number of Participants	58	58
Total Amount of Food Costs	XXXXX	\$ 1,849.83
Total Amount of Eligible Food and Nonfood Costs	XXXXX	\$ 3,711.96

EXHIBIT G**Verification of Unaffiliated Sponsored Center Data****Center: The Gentlemen and Ladies Academy****Reimbursement Paid by Sponsor: \$ 21,892.64****CIL Reported by Sponsor: \$1,043.64****Reimbursement Due based on Reported Information: \$24,057.66****Reimbursement Due based on Verified Information: \$24,057.66**

Program Area	Reported on Claim	Reconciled By Monitoring Review
Number of Days that CACFP Food Service was operated	20	20
Total Attendance	5,019	5,019
Percentage of Free or Reduced-price Category (For Profit Center Only)	XXXX	88%
Number of Breakfasts Served	4,523	4,523
Number of Lunches Served	1,638	1,638
Number of Suppers	2,803	2,803
Number of Supplements Served	3,359	3,359
Number of Participants in Free Category	220	220
Number of Participants in Reduced-Price Category	3	3
Number of Participants in Paid Category	31	31
Total Number of Participants	254	254
Total Amount of Food Costs	XXXXX	\$ 3,429.35
Total Amount of Eligible Food and Nonfood Costs	XXXXX	\$ 4,965.16

EXHIBIT H

Verification of Unaffiliated Sponsored Center Data

Center: The Youth Academy LLC.

Reimbursement Paid by Sponsor: \$ 10,807.65

CIL Reported by Sponsor: \$1,354.78

Reimbursement Due based on Reported Information: \$11,873.56

Reimbursement Due based on Verified Information: \$12,016.63

Program Area	Reported on Claim	Reconciled By Monitoring Review
Number of Days that CACFP Food Service was operated	24	24
Total Attendance	8,982	8,982
Percentage of Free or Reduced-price Category (For Profit Center Only)	XXXX	27%
Number of Breakfasts Served	4,321	4,317
Number of Lunches Served	5,330	5,399
Number of Suppers	435	453
Number of Supplements Served	5,653	5,766
Number of Participants in Free Category	86	86
Number of Participants in Reduced-Price Category	59	59
Number of Participants in Paid Category	395	395
Total Number of Participants	540	540
Total Amount of Food Costs	XXXXX	\$ 16,112.39
Total Amount of Eligible Food and Nonfood Costs	XXXXX	\$ 16,618.28

**Corrective Action Plan for Monitoring Findings**

Instructions: Please print in ink or type the information to complete this document. Enter the date of birth for each Responsible Principal and/or Individual in Section B. Attach the additional documentation requested. Enter your name, title and date of signature on the last page. Please sign your name in ink.

Please return ALL pages of the completed Corrective Action Plan form.

Section A. Institution Information

Name of Sponsor/Agency/Site: Karamu Nutrition Programs Inc.	Agreement No. 00340	<input type="checkbox"/> SFSP <input checked="" type="checkbox"/> CACFP
Mailing Address: 2670 Union Avenue Ext. Suite 900 Memphis, TN 38112-4429		
Section B. Responsible Principal(s) and/or Individual(s)		
Name and Title: Tyrone Bennet, Chairman of the Board	Date of Birth: / /	
Section C. Dates of Issuance of Monitoring Report/Corrective Action Plan		
Monitoring Report: 7/2/2019	Corrective Action Plan: 7/2/2019	

Section D. Findings**Findings:**

1. The Sponsor reported the number of participants in the free, reduced-price, and paid categories incorrectly
2. The Sponsor reported incorrect meals for the Childcare Center
3. The Sponsor had childcare centers that did not take daily attendance
4. The Sponsor reported the number of attendance days incorrectly
5. The Sponsor reported an incorrect number of meals from an observed meal service
6. The Sponsor provided infant menus that did not meet USDA meal pattern requirements
7. A sponsored center served a meal that did not meet the USDA meal requirements
8. A Center served a grain-based dessert as a component
9. Center did not have a menu posted during an observed meal
10. The Sponsor did not provide enrollment information for all participants
11. Centers served meals outside of the approved serving time

The following measures will be completed within **30 calendar days** of my institution's receipt of this corrective action plan:

Measure No. 1: The Sponsor reported the number of participants in the free, reduced-price, and paid categories incorrectly

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name:

Position Title:

Name:

Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No.2: The Sponsor reported incorrect meals for the Childcare Centers

The finding will be fully and permanently corrected.
Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name: Position Title:

Name: Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No. 3: The Sponsor had childcare centers that did not take daily attendance

The finding will be fully and permanently corrected.
Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name: Position Title:

Name: Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No. 4: The Sponsor reported the number of attendance days incorrectly

The finding will be fully and permanently corrected.
Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name: Position Title:

Name: Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No. 5: The Sponsor reported an incorrect number of meals from an observed meal service

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name:

Position Title:

Name:

Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No.6: The Sponsor provided infant menus that did not meet USDA meal pattern

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name:

Position Title:

Name:

Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No. 7: A sponsored center served a meal that did not meet the USDA meal requirements

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name:

Position Title:

Name:

Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No. 8: A Center served a grain-based dessert as a component

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name:

Position Title:

Name:

Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No. 9: Centers did not have a menu posted during an observed meal

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name:

Position Title:

Name:

Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No. 10: The Sponsor did not provide enrollment information for all participants

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name:

Position Title:

Name:

Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No. 11: Centers served meals outside of the approved serving time

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name:

Position Title:

Name:

Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

I certify by my signature below that I am authorized by the institution to sign this document. As an authorized representative of the institution, I fully understand the corrective measures identified above and agree to fully implement these measures within the required time frame. I also understand that failure to fully and permanently correct the findings in my institution's CACFP or SFSP will result in its termination from the program, and the placement of the institution and its responsible principals on the National Disqualified List maintained by the U.S. Department of Agriculture.

Printed Name of Authorized Institution Official:

Position:

Signature of Authorized Institution Official: _____

Date: / /

DHS staff should check the "Forms" section of the intranet to ensure the use of current versions. Forms may not be altered without prior approval.

Distribution: OIG and CACFP/SFSP as appropriate

RDA: 2341

Signature of Authorized TDHS Official: _____

Date: / /

APPEAL PROCEDURES FOR CHILD AND ADULT CARE INSTITUTIONS AND SPONSORING AGENCIES

Appeal Procedures

1. Pursuant to 7 CFR §226.6(k)(4), the TN Department of Human Services (TDHS) must provide administrative review procedures to institutions and responsible principals and responsible individuals as follows:

- (a) Annually to all institutions;
- (b) To an institution and to each responsible principal and responsible individual when the State agency takes any action subject to an administrative review as described in 7 CFR §226.6(k)(2); and
- (c) Any other time upon request.

2. Pursuant to 7 CFR 226.6(k)(3) and (k)(9), some administrative actions are not subject to administrative review. Those actions are listed in paragraph 2.(a). Other administrative actions may be administratively appealed. Those actions are listed in paragraph 2.(b) and (c). All institutions and sponsoring agencies may appeal any adverse administrative action listed in paragraph 2.(b) which are taken by the TDHS by requesting a fair hearing to appear in person to refute the action, or by requesting a review of written information in lieu of a fair hearing.

(a) Pursuant to 7 CFR Part 226.6 (k)(3) TDHS is prohibited from offering administrative reviews of the following actions:

- (i) FNS decisions on claim deadline exceptions and requests for upward adjustments to a claim.
- (ii) Determination of serious deficiency.
- (iii) State agency determination that corrective action is inadequate.
- (iv) Disqualification and placement on State agency list and National disqualified list.
- (v) Termination.
- (vi) State agency or FNS decision regarding removal from the National disqualified list.
- (vii) State agency's refusal to consider an application submitted by an institution or facility on the National disqualified list.

(b) Pursuant to 7 CFR Part 226.6(k)(9), an abbreviated appeal process is available for the following actions. TDHS must limit the administrative review to a review of written submissions by the TDHS and institutions or sponsoring agencies concerning the accuracy of the State agency's determination if the application was denied, or the State agency proposes to terminate the institution's agreement because:

- (viii) The information submitted on the application was false;
- (ix) The institution, one of its sponsored facilities, or one of the principals of the institution or its facilities is on the national disqualified list;
- (x) The institution, one of its sponsored facilities, or one of the principals of the institution or its facilities is ineligible to participate in any other publicly funded program by reason of violation of the requirements of the program;

- (xi) The institution, one of its sponsored facilities, or one of the principals of the institution or its facilities has been convicted for any activity that indicates a lack of business integrity;

(c) Administrative review is also available if the State agency notifies the institution and responsible principal or responsible individual of the following actions: proposed disqualification of a responsible principal or responsible individual, denial of a budget, denial of a line item within a budget, downward adjustment of the amount approved in a budget, suspension of an institution's participation, denial of start-up or expansion funds, denial of a request for advanced payment, recovery of an advance in excess of a claim, denial of a claim for reimbursement (except for late submission), decision not to forward an exception request for payment of a late claim, overpayment demand, denial of a new or renewing institution's application for participation, denial of sponsored facility application, notice of proposed termination, claim denial, claim deadline exceptions and requests for upward adjustments to a claim, or any other action affecting an institutions participation or claim for payment.

3. All appeal requests must be presented in writing to the TDHS Division of Appeals and Hearings not later than 15 calendar days after the date the institution or sponsoring agency receives the notice of adverse administrative action.

4. The date of an institution's or sponsoring agency's receipt of a notice of suspension and/or proposed termination and disqualification will be governed by the federal regulation at 7 CFR Part 226.2. The notice must specify the action being proposed or taken and the basis for the action, and is considered to be received by the institution or day care home when it is delivered, sent by facsimile, or sent by email. If the notice is undeliverable, it is considered to be received by the institution, responsible principal or responsible individual, or day care home five days after being sent to the addressee's last known mailing address, facsimile number, or email address.

5. The TDHS Division of Appeals and Hearings will acknowledge the receipt of the appeal request within 10 calendar days of the receipt of the institution's or sponsoring agency's request for review. The written request for review should state if a fair hearing is requested or if a review of written information in lieu of a fair hearing is requested. If the appeal request from the institution or sponsoring agency does not specifically request a hearing, a review of written information in lieu of a hearing will occur. If a fair hearing is requested and the institution or sponsoring agency's representative fails to appear, the right to a personal appearance is waived.

6. If an institution or sponsoring agency does not request a fair hearing or a review of written information in lieu of the hearing within 15 calendar days from the date the institution or sponsoring agency receives a Notice of Proposed Termination, the TDHS will issue a letter advising the institution or sponsoring agency that it is terminated from the CACFP effective on the 16th calendar day following the institution's or sponsoring agency's receipt of the notice, and that the responsible principals and individuals of the institution or sponsoring agency are disqualified from participation.

7. To be considered for a fair hearing or for a review of written information in lieu of a fair

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hearing, all written documents must be submitted to the TDHS Division of Appeals and Hearings not later than 30 days after receipt of the notice of adverse administrative action.

8. The action of the TDHS must remain in effect during the administrative review. The effect of this requirement on particular actions by TDHS is as follows:

(i) *Overpayment demand.* During the period of the administrative review, TDHS is prohibited from taking action to collect or offset the overpayment. However TDHS must assess interest beginning with the initial demand for remittance of the overpayment and continuing through the period of administrative review unless the administrative review official overturns the TDHS's action.

(ii) *Recovery of advances.* During the administrative review, TDHS must continue its efforts to recover advances in excess of the claim for reimbursement for the applicable period. The recovery may be through a demand for full repayment or an adjustment of subsequent payments.

(iii) *Program payments.* The availability of Program payments during an administrative review of the denial of a new institution's application, denial of a renewing institution's application, proposed termination of a participating institution's agreement, and suspension of an institution are addressed in paragraphs (c)(1)(iii)(D), (c)(2)(iii)(D), (c)(3)(iii)(D), (c)(5)(i)(D), and (c)(5)(ii)(E), respectively, of 7 CFR §226.6.

9. The institution or sponsoring agency must refute the charges contained in the notice during the fair hearing or in the written information that is provided in lieu of the hearing.

10. The institution and the responsible principals and responsible individuals may retain legal counsel, or may be represented by another person.

11. If a fair hearing is requested, the institution or sponsoring agency will be notified in writing of the time, date and place of the fair hearing at least 10 calendar days in advance.

12. Any information which supports an adverse administrative action taken by the TDHS shall be available to the institution or sponsoring agency for inspection from the date of the receipt of the request for a fair hearing or a review of written information in lieu of the hearing.

13. In accordance with 7 CFR Part 226.6 (k)(8), the TDHS Division of Appeals and Hearings must conduct the administrative review of the proposed disqualification of the responsible principals and responsible individuals as part of the administrative review of the application denial, proposed termination, and/or proposed disqualification of the institution with which the responsible principals or responsible individuals are associated. However, at the administrative review official's discretion, separate administrative reviews may be held if the institution does not request an administrative review or if either the institution or the responsible principal or responsible individual demonstrates that their interests conflict.

14. The procedures contained in the Uniform Administrative Procedures Act found at TCA 4-5-301 et seq. shall be followed in rendering a decision on all appeals. The decision of the hearing officer is the final administrative determination to be afforded to the institution or sponsoring agency, and shall be rendered in a timely manner not to exceed 60 calendar days from the date of the receipt of the request for a fair hearing.

15. The processing limits for administrative appeals MUST be met. In the event a continuance is requested by a party, one continuance may be granted at the Hearing Official's discretion. This

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continuance shall not be for a period longer than ten (10) calendar days unless there are exceptional circumstances. Exceptional circumstances must be detailed in the order of continuance and the order must contain a date certain for the hearing, to be set as soon as possible. A report of pending CACFP desk review and fair hearing requests will be generated and reviewed daily by the Clerk's Office and the Legal Director for Appeals and Hearings who will monitor the dates for timeliness. In the event a decision has not been rendered within forty-five (45) calendar days of the date of receipt of the request for fair hearing or desk review, the Legal Director for Appeals and Hearings or their back-up shall notify the hearing official to take appropriate action.

16. All requests for a fair hearing or for a review of written information in lieu of a hearing must be submitted to:

**Tennessee Department of Human Services
Division of Appeals and Hearings
PO Box 198996, Clerk's Office
Nashville, TN 37219-8996
Fax: (615) 248-7013 or (866) 355-6136
E-mail: AppealsClerksOffice.DHS@tn.gov**

17. If a termination action is upheld by the hearing officer, the TDHS will issue a letter to the institution or sponsoring agency and its responsible principals and individuals advising that the termination and disqualification are effective on the date of the ruling issued by the hearing officer. The agency maintains searchable records of all administrative reviews and their dispositions for a period of five (5) years.

18. As required by 7 CFR Part 226.6 (c)(7), each disqualified institution, sponsoring agency, principal and individual will be placed on the National Disqualified List maintained by the U.S. Department of Agriculture (USDA). Once included on the National Disqualified List, an institution, sponsoring agency, principal and individual shall remain on the list until such time as the USDA, in consultation with the TDHS, determines that the serious deficiencies that led to their placement on the list have been corrected, or until seven years have elapsed since they were disqualified from participation. However, if the institution, sponsoring agency, principal or individual has failed to repay debts owed under the program, they will remain on the list until the debt has been paid.